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SUBJECT: HONDURAN CAMPAIGN FINANCE 1: SMALL PARTIES DECLARE
PAST EXPENSES; NGO STUDY OF EXPENDITURES BREAKS NEW GROUND

REF: Tegucigalpa 2138 and previous

1. This cable is the first in an occasional series on the important, but difficult to cover, issue of campaign financing leading up to the November 27 national elections.

CNA Requests TSE Enforcement of Campaign Finance Rules

2. The National Anticorruption Council (CNA) has officially requested that the Supreme Electoral Tribunal (TSE) demand financial records from each of the five political parties running in the November 2005 general elections, as well as a declaration of assets for candidates for all levels (president/vice president, congress, and mayor/city council) to ensure financial transparency of the political campaign.

Three Small Parties Give TSE Financial Statements

3. The National Innovation and Unity Party (PINU), one of three small political parties in Honduras, became the first to register a partial financial statement as required by the Supreme Electoral Tribunal (TSE) and the Electoral Law. Juan Ramon Martinez, presidential candidate of the Christian Democratic Party (CD), told the Embassy that the CD financial disclosure was submitted to the TSE although this has not yet been verified. On October 28, multiple national press organizations reported that the Democratic Union Party (UD) had also followed PINU's example and filed a disclosure with the TSE. The Liberal and National Parties still have yet to register their financial statements, the filing of which most observers deem critical to a transparent electoral process.

Over USD 2 Million For a Month of Campaigning

4. The Association for a More Just Society (ASJ), an NGO, conducted a monitoring effort that determined that from August 27 - September 27 the five political parties collectively spent more than 43.3 million lempiras (USD 2.3 million) on the election campaign for president and for the important Tegucigalpa and San Pedro Sula mayoral elections, with the National and Liberal Parties dominating the spending. To conduct the study, ASJ monitored eight radio stations, 10 television channels, and four newspapers in Tegucigalpa and San Pedro Sula. Extrapolating from the cost of advertisements, ASJ made estimates as to how much money candidates had spent. ASJ reported the following expenditures for the five presidential candidates: National Party candidate Porfirio "Pepe" Lobo, 16.7 million lempiras (USD 885,280); Liberal Party candidate Manuel "Mel" Zelaya, 15.8 million lempiras (USD 838,974); PINU candidate Carlos Sosa Coello, 989,780 lempiras (USD 52,453); UD candidate Juan Almandarez, 197,120 lempiras (USD 10,446); and Christian Democrat candidate Juan Ramon Martinez, 57,680 lempiras (USD 3,057). In total, 33.78 million lempiras (USD 1.79 million) was spent on the presidential campaign. This amount represents over 93 percent of total spending captured by the study.

5. The National Congress, which is supposed to spend money on institutional propaganda only, spent 1.8 million lempiras (USD 95,000) in ads to promote the image of its president (Pepe Lobo), who happens to be running for Congress. The municipality of Tegucigalpa spent 1.78 million lempiras (USD 94,000) on ads despite the fact that Tegucigalpa Mayor Miguel Pastor lost to Lobo in the February primaries and is not running for anything. The mayoral candidates for the municipality of Tegucigalpa spent 1.13 Million lempiras (USD 59,977). The National Party candidate for Mayor of Tegucigalpa, Ricardo Alvarez, spent the most, over 1 million lempiras (USD 54,354), followed by PINU's Mario Rivera with 81,117 lempiras (USD 4,299), and the Liberal Party candidate, Enrique "Kike" Ortez with 25,000 lempiras (USD, 1,325). The two remaining candidates, Carlos del Cid of UD and Augusto Cruz of CD, did not spend any money during the period.

6. For details on the ASJ study, check the following Spanish language website:
http://www.revistazo.com/sitio_revistazo/hist_ory=monitoreo_pr opa5.htm

